



HF 2159 – Miller Trust (LSB 5181HV)

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Fiscal Note Version – New

Description

House File 2159 increases the percentage of income a person can have relative to the statewide average charge for a private pay resident of a nursing facility from 100.0% to 125.0% for beneficiaries of Miller Trusts. This Bill is applicable to Trusts in existence on or after July 1, 2014.

Background

A Miller Trust provides medical care and obtains Medicaid eligibility for a person that would not be eligible if the funds in the special needs trust or the individual's income were considered in the eligibility determination. If a person has more income than the criteria to qualify for Medicaid, but has less income than necessary to pay for long-term care, then a Miller Trust can be set up for that individual. The funds remaining in these types of trusts are paid to the Department of Human Services (DHS) at the time of death to cover the cost of the Medicaid expenses incurred. A portion of an individual's income may be diverted from the trust to support a spouse living in the community.

Assumptions

- It is assumed that 100.0% of the nursing facility costs will be paid from the Trust income (other than spousal diversion) and that 100.0% of the nonfacility Medicaid costs will be paid for by the Medicaid Program.
- There is an average of 1,300 Miller Trust cases annually and it is assumed that increasing the statewide average charge from 100.0% to 125.0% will result in an increase of 32 new Miller Trusts annually.
- Half of the new individuals will have a spouse in the community and an average of \$1,000 in income will be diverted from the Trust monthly to support that spouse.
- The average Medicaid cost per enrollee including Medicare premium payments is \$11,943 in FY 2015 and \$12,182 in FY 2016.
- The State's share of the Federal Medical Assistance Percentage (FMAP) rate is 43.86% in FY 2015 and 44.86% in FY 2016.

Fiscal Impact

House File 2159 is estimated to cost the General Fund \$252,000 in FY 2015 and \$261,000 in FY 2016. This includes \$168,000 in Medicaid expenses and \$84,000 in assets diverted to a spouse in FY 2015 and \$175,000 in Medicaid expenses and \$86,000 in assets diverted to a spouse in FY 2016.

Source

Department of Human Services

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
